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Proceeding	91228461
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE TRADEMARK TRIAL AND APPEAL BOARD

Skullcandy, Inc.,

Opposer,

v.

Headball Records LLC,

Applicant.

Opposition No.: 91228461

Mark:



U.S. Serial No.: 86/714,576

OPPOSER'S RESPONSE TO APPLICANT'S MOTION FOR JUDGMENT ON THE PLEADINGS

Opposer, Skullcandy, Inc. ("Skullcandy"), opposes the Motion for Judgment on the Pleadings ("Motion") filed by Applicant, Headball Records, LLC ("Headball"). The Motion should be denied because there is a genuine issue of material fact as to the only DuPont factor not conceded by Headball – namely whether the marks are similar – resulting in the inescapable conclusion that the absence of a likelihood of confusion cannot be established as a matter of law at this preliminary stage in the proceeding. Headball is trying to prematurely bring the matter to judgment before Skullcandy can develop specific evidence of consumer perception of the similarities between the marks.

I. FACTS

Skullcandy is a Delaware corporation with a principal place of business in Park City, Utah. (Opp. ¶. 1.) Skullcandy uses in interstate commerce the Skull design mark shown below ("Skull Logo") in connection with various goods and services in the field of music, entertainment and music equipment. (Opp. ¶ 1.)

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Skullcandy owns "strong common law rights" in the Skull Logo. (Opp. ¶ 2.) Skullcandy specifically pleaded in its Notice of Opposition that the Skull Logo is "famous in the United States" as a result of Skullcandy's "extensive investment" of "money, time and effort into the use, advertising and promotion" of the design mark in connection with Skullcandy's goods and services. (Opp. ¶ 2.)

Skullcandy also owns two federal trademark registrations for the Skull Logo. (Opp. ¶ 3.) The certificates of registration were attached as Exhibit A to the Notice of Opposition. The federal trademark registrations are valid, subsisting and in full force and effect. (Opp. ¶ 4.) Skullcandy's right to use the Skull Logo in commerce is incontestable, pursuant to 15 U.S.C. § 1065. (Opp. ¶ 4.)

Skullcandy filed the application that matured into Reg. No. 3,168,754 for the Skull Logo on February 7, 2006, and the registration issued on November 7, 2006. (See Opp., Exh. A.) Skullcandy filed the application that matured into Reg. No. 4,622,095 for the Skull Logo on December 28, 2012, and the registration issued on October 14, 2014. (See Opp., Exh. A.) The mark in Reg. No. 4,622,095, is described as a "stylized skull." (See Opp., Exh. A.)

Headball's application Serial No. 86/714,586 that is the subject of this Opposition ("Application") is for a design of a skull ("Applicant's Mark") as shown below for use with "various music-related goods and services." (See Opp. ¶ 5.)



Skullcandy has alleged priority. Headball filed the Application on August 4, 2015, after the filing dates for Skullcandy's Skull Logo registrations. (See Opp. ¶ 5 & Ans. ¶ 5.) In addition, Skullcandy has pleaded that it has "continuously and extensively used" the Skull Logo "in interstate commerce throughout the United States" since prior to the filing date of the Application. (See Opp. ¶ 1.)

Skullcandy timely filed the Notice of Opposition against the Application on June 15, 2016, based on both a likelihood of confusion (Section 2(d) of the Lanham Act) and a likelihood of dilution by blurring and tarnishment (Section 43(c) of the Lanham Act). (See Opp. ¶¶ 8 & 9.) Skullcandy pleaded standing, i.e., that it believes it will be damaged if Applicant's Mark is registered. (Opp, p. 1.)

Skullcandy has alleged a number of facts which support its claims, such as:

- The Skull Logo is famous, and was famous prior to the filing date of the Application (Opp. ¶¶ 2 & 9);
- The Skull Logo is a strong mark (Opp. ¶ 2);
- The Skull Logo and Applicant's Mark are confusingly similar in appearance and commercial impression (Opp. ¶ 6);
- Skullcandy's goods and services provided under, and registered for use with, the Skull Logo "are identical and, at a minimum, closely related," to the goods and services identified in the Application (Opp. ¶ 7); and

Skullcandy's good and services and the goods and services identified in the
 Application are offered to the "same, similar or overlapping classes of purchasers"
 (Opp. ¶ 7).

Before the parties have had the opportunity to develop the record through fact and expert discovery, Headball filed this Motion for Judgment on the Pleadings. Headball focuses on only one factor – the similarity of the marks. (Mot., p. 6.) Headball concedes, for purposes of the Motion, all other factors that pertain to Skullcandy's likelihood of confusion and dilution claims. (Mot., pp. 6 & 8-9.) Nevertheless, the Skull Logo and Applicant's Mark are sufficiently similar that, when construing all the other factors in favor of Skullcandy, particularly the fame and strength of the Skull Logo, the Board should find there is a genuine issue of material fact as to the existence of likelihood of confusion and dilution and should deny Headball's Motion.

II. ARGUMENT

1. Legal Standard For Judgment On The Pleadings.

Fed. R. Civ. P. 12(c) allows for disposition of a case through a motion for judgment on the pleadings only when material facts are not in dispute, and the Board can focus solely on the pleadings. *See Chatham Int'l Inc. v. Abita Brewing Co., Inc.*, 49 U.S.P.Q.2d 2021, 2023 (TTAB 1998)(motion for judgment on the pleadings denied). The well-pleaded allegations in Skullcandy's Notice of Opposition are assumed to be true, and the Board should draw all "reasonable inferences" from those allegations in the light most favorable to Skullcandy. *See Chatham Int'l Inc.*, 49 U.S.P.Q.2d at 2023.

Skullcandy has properly pleaded priority over Headball, and, as set forth above, has properly pleaded a number of factors included in the likelihood of confusion and dilution analyses, including the fame of its Skull Logo. Apart from the similarity of the marks, Headball

concedes both the other *DuPont* factors and the dilution factors in Skullcandy's favor for purposes of disposing of the Motion. (Mot., pp. 6 & 8-9.)

2. Likelihood of Confusion Analysis.

a) Likelihood of Confusion Standard – the du Pont Factors.

The likelihood of confusion is a question of law, but it is based on an analysis of various factors, all of which are questions of fact. *StonCor Grp., Inc. v. Specialty Coatings, Inc.*, 759

F.3d 1327, 1331 (Fed. Cir. 2014). In assessing whether there is a likelihood of confusion, the Board looks to the thirteen (13) factors laid out in *In re E.I. du Pont de Nemours & Co.*, 476 F.2d 1357, 1361 (C.C.P.A. 1973). Among the *du Pont* factors are the following: (1) similarity of the marks as to appearance, sound, connotation and commercial impression when considered in their entireties; (2) the similarity of the goods and services; (3) the similarity of trade channels; (4) whether the sales are the result of "impulse" or careful purchasing decisions; (5) fame of the asserted mark; (6) the number of similar marks for similar goods; and (7) actual confusion. Headball, in its Motion, only contests the similarity of marks factor. However, the other conceded factors, particularly the fame and strength of the Skull Logo, when combined with the evident similarities between the marks, confirm the existence of a likelihood of confusion.

b) The Fame of the Skull Logo Carries Great Weight in the Likelihood of Confusion Analysis.

Headball's concession that the Skull Logo is a famous mark (Mot., pp. 8-9) carries great weight in the likelihood of confusion calculus. The Court of Appeals for the Federal Circuit has held that fame of the asserted mark "plays a 'dominant' role in the process of balancing" the likelihood of confusion factors. *Recot, Inc. v. Becton*, 214 F.3d 1322, 1327 (Fed. Cir. 2000); *Time Warner Entertainment Co. L.P. v. Jones*, 65 U.S.P.Q.2d 1650, 1658 (T.T.A.B. 2002). In *Recot*, primarily because of the differences between the goods, the Board dismissed an

Opposition brought by the owner of the FRITO-LAY trademark against an application to register FIDO LAY for use with edible dog treats. *Recot*, 214 F.3d at 1326. However, the Federal Circuit vacated and remanded the decision because the Board did not "treat the fame factor as 'important." The Federal Circuit held that a famous mark is given more protection "precisely because [it is] more likely to be remembered and associated in the public mind than a weaker mark." *Recot*, 214 F.3d at 1327; *Nike, Inc. v. Maher*, 100 U.S.P.Q.2d 1018, 1023 (T.T.A.B. 2011)(JUST DO IT is a famous mark and "entitled to a wide scope of protection"). Indeed, the fame of the asserted mark "can never be 'of little consequence.' The fame of a trademark may affect the likelihood purchasers will be confused inasmuch as less care may be taken in purchasing a product under a famous name." *Recot*, 214 F.3d at 1327, *quoting Specialty Brands, Inc. v. Coffee Bean Distributors, Inc.*, 748 F.2d 669, 675 (Fed. Cir. 1984).

Skullcandy alleged in its Opposition that the Skull Logo is famous, and this has been conceded by Headball. The evident similarities between the Skull Logo and Applicant's Mark are enough, given the fame of the Skull Logo, for a genuine issue of material fact to exist and for the Board to deny the Motion. The fame of the Skull Logo "weighs heavily" in Skullcandy's favor when determining the likelihood of confusion. *Time Warner*, 65 U.S.P.Q.2d at 1659; see *Recot*, 214 F.3d at 1328 (fame of Opposer's mark "must...be accorded full weight when determining the likelihood of confusion.")

A famous mark, such as the Skull Logo, casts a "long shadow which competitors must avoid," which Headball has not done. *See Recot*, 214 F.3d at 1328, *quoting Kenner Parker*, 963 F.2d 350, 353 (Fed. Cir. 1992). The fame of the Skull Logo weighs heavily in Skullcandy's favor in assessing the likelihood of confusion.

c) The Skull Logo Is A Strong Mark.

Headball has conceded for purposes of the Motion that the Skull Logo is a strong mark. Skullcandy has alleged that the Skull Logo is a "strong" mark. There can be no doubt that the use of a design of a stylized skull in connection with Skullcandy's audio and music-oriented goods and services is an arbitrary device, and as such, it is an inherently strong mark. An evaluation of third party marks employing a similar device is relevant to the strength factor, however, Headball has not alleged in its answer the existence of any third party marks with similar devices. For purposes of this Motion, the Board should consider the absence of third party marks in Skullcandy's favor and conclude that the Skull Logo is a strong mark. This factor weighs heavily in Skullcandy's favor in assessing the likelihood of confusion.

d) The Marks Are Similar.

The Skull Logo and Applicant's Mark are similar in sight, appearance and overall commercial impression when considered in their entireties. The Board should not undertake a side by side comparison of the marks, but instead should consider whether the marks are sufficiently similar in terms of overall commercial impression that consumers are likely to be confused. *See Time Warner*, 65 U.S.P.Q.2d at 1659-60. The average purchaser's recollection is the focus, which "normally retains a general rather than a specific impression of trademarks." *Time Warner*, 65 U.S.P.Q.2d at 1660. In analyzing the marks, it is the basic elements, or motif, that becomes more apparent than specific differing details. *See In re Calgon Corp.*, 435 F.2d 596, 597 (C.C.P.A. 1971)(both design marks "basically consist of a representation of a girl in a bathtub" which are similar in "motif and appearance," confusion is likely); *Time Warner*, 65 U.S.P.Q.2d at 1660 ("In terms of the marks' overall commercial impressions, these basic

similarities outweigh any specific dissimilarities that might be apparent upon side-by-side comparison of the marks whether those dissimilarities are considered alone or in combination.")

In *Time Warner*, the Board found that the design of a running roadrunner bird with the words ROADRUNNER MAPS for use with road maps was likely to cause confusion with Opposer's design of a roadrunner bird for use with entertainment services such as videos and films and toys. Both marks had a depiction of an arbitrary, stylized roadrunner bird. The Board held that the differences in the respective designs apparent in a side by side comparison did "not suffice to distinguish the marks in terms of their overall commercial impressions." *Time Warner*, 65 U.S.P.O.2d at 1660.

In another design marks case, the U.S. District Court for the District of Massachusetts granted partial summary judgment in favor of the plaintiff finding that the marks were similar. *Copy Cop, Inc. v. Task Printing, Inc.*, 908 F.Supp. 37 (D. Mass. 1995). The plaintiff's design mark included an image of three British "bobby" police officers, whereas the defendant's mark consisted of one British "bobby" police offer, a traffic signal and the words SIGNAL GRAPHICS. *Copy Cop*, 908 F.Supp. at 44. The Court rejected the differences between the images, focusing on the overall impression which it found to be "so similar as to create a substantial likelihood of confusion. *Id.*

Here, the designs have a similar overall commercial impression because they both use the dominant, stylized skull design image.¹ Headball has subsumed the device of a stylized skull within its mark. The Skull Logo consists of an outline of the face of a human skull looking to

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¹ Despite Headball's attempt to misconstrue the impression of the Skull Logo – it is the front of a stylized skull. (*See* Mot., p. 9.) This is obvious from the use of "skull" in Opposer's name – Skullcandy – and the reference to "skull" in the description of Reg. No. 4,622,095. The design search codes for both of Headball's applications, Serial Nos. 86/714,576 and 86/714,586, include "skulls."

the viewer's left. Applicant's Mark employs a similar device of a human skull looking to the viewer's left on the front of a soccer ball. The eye sockets are hollow, as is the nose. Because of the similar motif, which is arbitrary when used in connection with Skullcandy's audio and music oriented goods and services and the goods and services identified in the Application, the dissimilarities between the marks are much less important. The average purchaser "normally retains a general rather than a specific impression of trademarks." *Time Warner*, 65 U.S.P.Q.2d at 1660. Accordingly, the presence of the additional element, the soccer ball, does not serve to distinguish the marks because of the shared stylized skull motif.

For purposes of the Motion, the Skull Logo must be taken as a famous and strong mark indicating the source of Skullcandy's goods and services, and therefore the dominant element when the marks are evaluated. Headball's incorporation of the same motif, a stylized skull, into a mark for similar goods and services is likely to cause confusion. Because Headball has incorporated a stylized skull device into its mark in a dominant way, consumers are likely to believe that Applicant's goods and services are a brand expansion by, or somehow related to, Skullcandy, instead of unrelated goods and services. The similarity of the marks factor weighs in Skullcandy's favor.

e) Headball Is Trying To Avoid The Presentation Of Evidence Of Consumer Perception.

Evidence of actual consumer perception is very important in consideration of a likelihood of confusion. Two ways of presenting consumer perception to the Board is through evidence of actual confusion or a consumer survey. Neither party has alleged anything regarding actual confusion, however, discovery could uncover whether Headball has started using its mark and whether it has experienced any actual confusion.

Further, development of the record would allow Skullcandy to present evidence of consumer perception through a consumer survey. In any event, Headball has conceded for this Motion all other *du Pont* factors except similarity of the marks. Therefore, it is fair for the Board to construe that Skullcandy would be able to submit evidence that consumers are being confused, such as through a favorable consumer survey; this factor weighs in favor of Skullcandy.

f) Headball's Intent.

The intent of an applicant in adopting a challenged mark is relevant to the likelihood of confusion analysis. At this premature point in the proceeding, Skullcandy has not had the opportunity to uncover and develop such evidence through discovery. However, it is highly likely that Headball adopted its mark with full knowledge of the "long shadow" of Skullcandy's rights in the Skull Logo. *See Recot, Inc.*, 214 F.3d at 1328. Because Headball has conceded all other likelihood of confusion factors except similarity of the marks for purposes of this Motion, this factor should be construed in Skullcandy's favor as well.

g) Any Doubt As To Whether There Is A Likelihood Of Confusion Should be Resolved In Skullcandy's Favor.

The combination of the *du Pont* factors supports the conclusion that there is a likelihood of confusion between the Skull Logo and Applicant's Mark. Headball argues that the Board should look only to the similarity of the marks, citing *Kellogg Co. v. Pack'em Enterprises, Inc.*, 951 F.2d 330 (Fed. Cir. 1991). However, it does not appear that Kellogg submitted evidence of the fame or strength of its mark in that proceeding; in any event, the Federal Circuit made clear in its more recent *Recot* opinion as discussed above, that fame carries great weight in the likelihood of confusion analysis. Finally, it is well settled that the Board should resolve any doubts regarding the existence of a likelihood of confusion in favor of the Opposer. *See Time*

Warner, 65 U.S.P.Q.2d at 1663. This is particularly the case when the Board decides a motion for judgment on the pleadings.

3. Headball's Motion Should Be Denied With Respect To Skullcandy's Dilution Claim.

Headball's Motion also requests judgment on Skullcandy's dilution claim. However, Headball does not provide any argument or analysis related to the dilution claim. Headball's Motion should be denied with respect to Skullcandy's dilution claim on this basis alone.

Nevertheless, Headball's Motion should be denied with respect to the dilution claim on its merits. The Board looks to three elements in a dilution case: (1) whether Opposer's mark is famous; (2) whether Opposer's mark became famous prior to the date of the application to register Applicant's mark; and (3) whether Applicant's mark is likely to blur the distinctiveness of Opposer's mark. Nike, Inc. v. Maher, 100 U.S.P.Q.2d 1018, 1023 (T.T.A.B. 2011). As noted above, Headball has conceded that the Skull Logo is a famous mark, and does not challenge when the Skull Logo became a famous mark. The dilution claim for purposes of the Motion therefore boils down to whether the marks are sufficiently similar that it is likely consumers will make an "association" that "impairs the distinctiveness" or "harms the reputation" of the Skull Logo. 15 U.S.C. § 1125(c). The Board conducts a multi-factor analysis to determine the association element, of which the degree of similarity is but one factor. Nike, Inc., 100 U.S.P.Q.2d at 1030. The similarity need not be "substantial." *Id.* ("The word chosen by Congress, 'similarity,' sets forth a less demanding standard than that employed by many courts under the FTDA.") The issue is whether the marks are sufficiently similar for consumers to "conjure up" the Skull Logo when confronted with Applicant's Mark. See Nike, Inc., 100 U.S.P.Q.2d at 1030 (JUST JESU IT is sufficiently similar to JUST DO IT; dilution found). The

test for similarity of marks in the dilution context is the same as for the likelihood of confusion context. *Id*.

As discussed above, the Skull Logo and Applicant's Mark are similar. Indeed, the marks are sufficiently similar because of the shared stylized skull motif, for consumers of audio and music-oriented goods and services to think of the Skull Logo when encountering Applicant's Mark. Headball has presented no evidence to counter this conclusion. Further, given the inherent distinctiveness of the Skull Logo when used in connection with audio and music-oriented goods and services, the Board should find there is a genuine issue of material fact on the dilution claim and deny that portion of the Motion.

4. Headball's Bad Faith and Unclean Hands Request Should Be Denied.

Finally, at the end of the Motion, Headball requests a finding of bad faith and unclean hands for bringing the Opposition. Headball provides no explanation, argument or analysis supporting this request. As a result, the Board should deny the request for a finding of bad faith and unclean hands in bringing the Opposition.

To the extent that Headball's request can be interpreted as being based on the bringing of claims which it perceives to lack merit, the Motion should be denied. As noted above, Skullcandy has meritorious claims of likelihood of confusion and dilution, so there can be no finding that it brought the Opposition in bad faith and with unclean hands. The designs of the two marks share the motif of a stylized skull looking to the viewer's left. The marks are sufficiently similar, given the fame and strength of the Skull Logo, for the Board to deny the Motion. This means that the Board should also deny Headball's request for a finding that the Opposition was brought in bad faith and with unclean hands.

5. Conclusion.

For the foregoing reasons, Skullcandy requests that the Board deny the Motion.

Respectfully submitted,

SKULLCANDY, INC.

Dated: September 9, 2016 By: /Christopher M. Dolan/

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing OPPOSER'S RESPONSE TO APPLICANT'S MOTION FOR JUDGMENT ON THE PLEADINGS was served on counsel for Applicant at the following address by U.S. mail, postage prepaid on this 9th day of September, 2016:

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And by email to counsel for Applicant at the following email addresses: dan@danpolley.com; betty@danpolley.com; betty@danpolley.com

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